

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 30, 2019

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APPLICATION OF

RAPPAHANNOCK ELECTRIC COOPERATIVE

CASE NO. PUR-2019-00217

For approval of a peak time rebate pilot program

ORDER FOR NOTICE AND COMMENT

On December 13, 2019, Rappahannock Electric Cooperative ("REC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a peak time rebate ("PTR") pilot program ("PTR Pilot").¹ The PTR Pilot is a voluntary, experimental two-year pilot program that REC proposes to promote efficient use of electrical energy and reduce demand for electricity during periods of peak consumption.²

Through the pilot program, REC seeks to manage and reduce its wholesale power costs by notifying participating customers ("Participants") in advance of potential peak periods, requesting that Participants reduce energy consumption during designated hours in the potential peak periods ("PTR Events"), and rewarding those Participants who do so by way of billing credits for each kilowatt-hour ("kWh") of reduction during PTR Events.³ According to REC, Participants will have the option of responding to its request to curtail usage, but will never be required to curtail usage and will not be penalized if they choose not to curtail usage.⁴ REC intends to provide Participants with notifications of PTR Events the day before the events,

¹ Application at 1. REC also requests expedited approval of its Application. *Id.*

² *Id.* at 1-2.

³ *Id.* at 4. The Cooperative expects that there will be 15 or fewer PTR Events per summer cooling season. *Id.* at 6.

⁴ *Id.* at 4.

supplemented with reminders just prior to and during the actual PTR Event hours, which will typically be weekdays from 4 p.m. to 6 p.m.⁵

The Cooperative states that it will apply a credit of \$0.75 per kWh to a Participant's bill for each kWh of energy reduction during a PTR Event.⁶ According to REC, the more a Participant reduces energy consumption during PTR Events, the more credits the Participant will receive.⁷ REC will determine a Participant's energy reduction during a specific PTR Event by using algorithms to develop a baseline usage level and comparing the Participant's reduction in energy usage during the PTR Event to the Participant's baseline usage.⁸

REC states that it will randomly solicit customers to participate in the pilot program and participation will be limited to 200 customers in the first year, and up to 1,000 customers in the second year.⁹ To participate in the PTR Pilot, a customer must: (i) be a resident in a single-family home, multi-family home, apartment, or manufactured home; (ii) be served by Schedule A-1 (Residential and Church Service); (iii) be enrolled as a MyRECSmartHub user, a two-way communications web and mobile app that is used for real-time account management; (iv) be able to receive short message service (SMS) texts, emails, or push notifications from REC or MyRECSmartHub via smartphone or computer; and (v) not be a participant in REC's Smart Response A/C Switch program or Wi-Fi thermostat pilot program.¹⁰ According to the

⁵ *Id.* at 9.

⁶ *Id.* at 4, 6.

⁷ *Id.* at 7.

⁸ *Id.* at 5.

⁹ *Id.* at 2, 8. The Cooperative asserts that it will provide information to educate potential Participants about the PTR Pilot. *Id.* at 8.

¹⁰ *Id.* at 5, 8.

Cooperative, there are no enrollment or participation fees and customers may elect to withdraw from the PTR Pilot at any time without penalty.¹¹

Finally, REC seeks to administratively make any necessary adjustments to the credit rate or the methodology for calculating a Participant's baseline usage (for the second year of the two-year PTR Pilot) through an annual report submitted to the Commission's Staff ("Staff").¹²

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; REC should provide public notice of its Application; interested persons should have an opportunity to file comments on the Application, file a notice of participation as a respondent, or request that a hearing be convened; Staff should be directed to investigate the Application and present its findings and recommendations in a report ("Staff Report"); and a Hearing Examiner should be assigned to rule on any discovery matters that arise during the course of this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2019-00217.

(2) As provided by § 12.1-31 of the Code of Virginia and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),¹³ a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.

(3) The Cooperative shall make copies of its Application, as well as a copy of this Order for Notice and Comment, available for public inspection during regular business hours at each of

¹¹ *Id.* at 8.

¹² *Id.* at 11.

¹³ 5 VAC 5-20-10 *et seq.*

the Cooperative's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Cooperative, Garland S. Carr, Esquire, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. Copies of the public version of all documents also shall be available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

(4) On or before February 5, 2020, the Cooperative shall cause a copy of the following notice to be published in Cooperative Living Magazine:

NOTICE TO THE PUBLIC OF AN APPLICATION
BY RAPPAHANNOCK ELECTRIC COOPERATIVE,
FOR APPROVAL OF A PEAK TIME REBATE PILOT
PROGRAM
CASE NO. PUR-2019-00217

On December 13, 2019, Rappahannock Electric Cooperative ("REC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a peak time rebate ("PTR") pilot program ("PTR Pilot"). The PTR Pilot is a voluntary, experimental two-year pilot program that REC proposes to promote efficient use of electrical energy and reduce demand for electricity during periods of peak consumption.

Through the pilot program, REC seeks to manage and reduce its wholesale power costs by notifying participating customers ("Participants") in advance of potential peak periods, requesting that Participants reduce energy consumption during designated hours in the potential peak periods ("PTR Events"), and rewarding those Participants who do so by way of billing credits for each kilowatt-hour ("kWh") of reduction during PTR Events. According to REC, Participants will have the option of responding to its request to curtail usage, but will never be required to curtail

usage and will not be penalized if they choose not to curtail usage. REC intends to provide Participants with notifications of PTR Events the day before the events, supplemented with reminders just prior to and during the actual PTR Event hours, which will typically be weekdays from 4 p.m. to 6 p.m.

The Cooperative states that it will apply a credit of \$0.75 per kWh to a Participant's bill for each kWh of energy reduction during a PTR Event. According to REC, the more a Participant reduces energy consumption during PTR Events, the more credits the Participant will receive. REC will determine a Participant's energy reduction during a specific PTR Event by using algorithms to develop a baseline usage level and comparing the Participant's reduction in energy usage during the PTR Event to the Participant's baseline usage.

REC states that it will randomly solicit customers to participate in the pilot program and participation will be limited to 200 customers in the first year, and up to 1,000 customers in the second year. To participate in the PTR Pilot, a customer must: (i) be a resident in a single-family home, multi-family home, apartment, or manufactured home; (ii) be served by Schedule A-1 (Residential and Church Service); (iii) be enrolled as a MyRECSmartHub user, a two-way communications web and mobile app that is used for real-time account management; (iv) be able to receive short message service (SMS) texts, emails, or push notifications from REC or MyRECSmartHub via smartphone or computer; and (v) not be a participant in REC's Smart Response A/C Switch program or Wi-Fi thermostat pilot program. According to the Cooperative, there are no enrollment or participation fees and customers may elect to withdraw from the PTR Pilot at any time without penalty.

Finally, REC seeks to administratively make any necessary adjustments to the credit rate or the methodology for calculating a Participant's baseline usage (for the second year of the two-year PTR Pilot) through an annual report submitted to the Commission's Staff.

Interested persons are encouraged to review the Application and supporting documents for further details of the Cooperative's proposal.

The Cooperative's Application, as well as the Order for Notice and Comment that the Commission entered in this case, are available for public inspection during regular business hours at

each of the Cooperative's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Cooperative, Garland S. Carr, Esquire, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means.

Copies of the Application and the public version of all documents filed in this case also are available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

On or before February 21, 2020, any interested person wishing to comment on the Cooperative's Application shall file written comments on the Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any interested person desiring to file comments electronically may do so on or before February 21, 2020, by following the instructions on the Commission's website: <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2019-00217.

On or before February 21, 2020, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address above. A copy of the notice of participation as a respondent also must be sent to counsel for the Cooperative at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. All filings shall refer to Case No. PUR-2019-00217. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before February 21, 2020, any interested person may file a written request for a hearing. If not filed electronically, an original and fifteen (15) copies of the hearing request shall be submitted to the Clerk of the Commission at the address above, and the interested person shall simultaneously send a copy of the hearing request to counsel to the Cooperative at the address set forth above. All requests for a hearing shall refer to Case No. PUR-2019-00217.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at <http://www.scc.virginia.gov/case>. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Comment in this proceeding may be obtained from the Clerk of the Commission at the address above.

RAPPAHANNOCK ELECTRIC COOPERATIVE

(5) On or before February 14, 2020, the Cooperative shall file with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, proof of the notice required by Ordering Paragraph (4).

(6) On or before February 21, 2020, any interested person may file written comments on the Application with the Clerk of the Commission at the address shown in Ordering Paragraph (5). Any interested person desiring to submit comments electronically may do so on or before February 21, 2020, by following the instructions found on the Commission's website: <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2019-00217.

(7) On or before February 21, 2020, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (5). The respondent shall simultaneously serve a copy of the notice of participation on counsel to the Cooperative at the address in Ordering Paragraph (3). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2019-00217.

(8) Within five (5) business days of receipt of a notice of participation as a respondent, the Cooperative shall serve upon each respondent a copy of this Order for Notice and Comment, a copy of the Application, and all materials filed by the Cooperative with the Commission, unless these materials have already been provided to the respondent.

(9) On or before February 21, 2020, any interested person may file a written request for a hearing. If not filed electronically, an original and fifteen (15) copies of the hearing request shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (5), and the interested person simultaneously shall serve a copy of the hearing request on counsel to the Cooperative at the address in Ordering Paragraph (3). All requests for a hearing shall refer to Case No. PUR-2019-00217.

(10) The Staff shall investigate the Application. On or before February 28, 2020, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of its Staff Report and any exhibits regarding its investigation of the Application.

(11) On or before March 6, 2020, REC may file with the Clerk of the Commission any comments on the Staff's Report, comments from interested persons, and requests for hearing that were filed with the Commission. If not filed electronically, an original and fifteen (15) copies of such comments shall be filed with the Clerk of the Commission.

(12) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(13) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within five (5) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney if the interrogatory or request for production is directed to the Staff.¹⁴ Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(14) This matter is continued generally.

¹⁴ The assigned Staff attorney is identified on the Commission's website, <http://www.scc.virginia.gov/case>, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUR-2019-00217, in the appropriate box.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: James Patrick Guy II, Esquire, and Garland S. Carr, Esquire, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219. A copy also shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.